

Insurance Options for Nursery and Greenhouse Operations

Michael R. Sciabarrasi, Extension Professor, Agricultural Business Management
University of New Hampshire, Durham, NH

Nursery crop insurance allows growers to protect against losses due to adverse weather conditions, fire, uncontrollable diseases, wildlife, failure of irrigation water supply, and reduced plant values due to a delay in marketing plants. Unlike many standard greenhouse insurance policies, nursery crop insurance covers loss of plants in the greenhouse as well as in the field.

Nursery crop insurance is available for an extensive list of containerized and field-grown plants produced in New Hampshire. Growers select to insure from 50% to 75% of their plant inventory value. If the market value falls below the insured plant inventory value, then the grower is paid for the loss based on the difference. Growers must wholesale at least 50% of their product to qualify for the insurance.

Nursery crop insurance year runs from October 1 through September 30th. New applications for the coming year may be accepted until May 31st with coverage beginning 30 days after receipt of a signed application. The policy renews automatically each year. An inventory valuation is required when a grower signs up and by September 11th of each year thereafter.

Revenue protection is available to nursery and greenhouse growers under two whole-farm insurance programs, AGR and AGR-Lite. AGR (Adjusted Gross Revenue) provides protection against low revenue due to unavoidable causes. Covered losses may arise from production or market risks. Eligible farm revenue includes income from most crops and plants (with a limited amount from livestock products). A grower selects a coverage level from 65% to 80% of average annual farm revenue and a loss payment rate of 75% or 90%. Insurance begins January 1st for calendar year filers. The sales closing date is January 31st. If you qualify for the Nursery crop insurance program and a substantial part of sales result from covered trees and plants, you may be required to purchase a nursery policy before participating in the AGR program.

AGR-Lite is a new pilot program available this year. AGR-Lite is a streamlined version of AGR with fewer application and record keeping requirements. In addition AGR-Lite has no limitation on the eligible amount of income from livestock or livestock products and there is no requirement to purchase the Nursery crop insurance policy. A drawback of AGR-Lite is the maximum policy liability is capped at \$250,000.

Adjusted Gross Revenue and Nursery crop insurance policies are available from private insurance agents. For a list of crop insurance agents in your area, contact your local USDA Farm Service Agency office or log on to the Risk Management Agency website:
www3.rma.usda.gov/tools/agents/

Recently developed educational materials on Adjusted Gross Revenue and Nursery crop insurance are available from UNH Cooperative Extension. Contact the author at 862-3234.